

program for schoolage youth; extends and improves the VISTA and Older Americans Volunteer Programs authorized under the Domestic Volunteer Service Act; supports the Civilian Community Corps and Points of Light Foundation; and pulls these efforts under the new Corporation. The Act will help instill an ethic of service in elementary and secondary school students, encourage them to serve in their college years, and give them further opportunities later in their lives.

The Student Loan Reform Act of 1993 will taken an important first step toward comprehensive reform of the student loan system. It saves money, makes loan repayment more affordable, and holds students more accountable. The measures in no way replace the Pell Grant program, which will remain the cornerstone of financial aid for millions of students.

The Student Loan Reform Act of 1993 replaces the current Federal Family Education Loan program with the Federal Direct Student Loan Program over a 4-year period. By eliminating subsidies to private lenders and making loans directly to students, direct lending will save taxpayers \$4.3 billion through Fiscal Year 1998 and still allow interest rates to drop for student borrowers. Many schools will make loans directly to students on campus, though none will be forced to do so. In addition, no institution will service or collect loans. This reform simplifies the system for many students, enabling most to receive all their aid through "one-stop shopping" at their institutions' financial aid offices.

The lending reform expands choice and reduces burdens for all student borrowers by offering a variety of repayment plans—including fixed, extended, graduated, and income-contingent schedules. In the same way that multiple financing options help homeowners, these plans offer real choice to all and lower monthly payments to those who want them. Income-contingent repayments—through the new EXCEL Accounts—also encourage service by students who do not participate in service under the National Service Trust Act. With more manageable monthly payments, more students will be able to take jobs that pay less but do more for their communities, without risk-

ing default. And whatever plan they first choose, students will be able to change their repayment schedule as their circumstances change.

The Student Loan Reform Act of 1993 will also reduce default rates. By electing income-contingent repayment schedules, students with lower incomes will be able to repay their loans on a manageable plan, without defaulting. Through cooperation with the IRS, the Act will improve collection and monitoring of student loans. And for those who are able to pay but do not, the Act will give the Secretary of Education authority to require payment on an income-contingent basis.

Opportunity, responsibility, and community go beyond politics. They are basic American ideals. Enactment of these two Acts will express the Nation's commitment to these ideals and to our shared future. I urge the Congress to give the legislation prompt and favorable consideration.

William J. Clinton

The White House,
May 5, 1993.

NOTE: This message was released by the Office of the Press Secretary on May 6.

Remarks to the Export-Import Bank Conference

May 6, 1993

Thank you very much. Good morning everyone. I'm delighted to see all of you here in such large numbers. I want to thank my good friend Ken Brody for inviting me to come and speak with you for a few moments. He's the President-designate of the Ex-Im Bank. That's a delicate way of saying that it takes a long time to get confirmed in today's Washington. [*Laughter*] I know a little about that in another context.

I have thought a good deal about what I wanted to say to you today about the subject which brings you here. I hope you will understand if I ask for a few moments to address the situation in Bosnia first, not only because the national press is here but because you are very much a part of the world which will

be affected by what happens there and how that impacts our friends and neighbors in Europe and particularly in the Mediterranean area.

Over the past week we saw some very encouraging progress toward a negotiated settlement of the tragic conflict in Bosnia and Herzegovina. Two of the three Bosnian parties signed the Vance-Owen agreement. The third party, the Bosnian Serbs, signed contingent on approval by their self-styled parliament. Progress unfortunately was stopped by the Bosnian Serb assembly's *de facto* rejection yesterday of the Vance-Owen agreement. Their action is a grave disappointment to all of us who seek an early and peaceful resolution to what has been a very brutal conflict. It abrogates the earlier approval of the peace plan by the Bosnian Serb leader Karadzic.

Their call for a referendum on the peace plan can only be seen as a delaying tactic to further consolidate the gains they have made because of the enormous advantage they have in heavy artillery coming as it does from the former Yugoslav army. It ignores the reality that everybody else in the world has recognized: Sooner or later, an enduring peace can only come from good-faith negotiations that lead to a peace plan acceptable to all the parties.

The international community, I believe, must not allow the Serbs to stall progress toward peace and continue brutal assaults on innocent civilians. We've seen too many things happen, and we do have fundamental interests there, not only the United States but particularly the United States as a member of the world community.

The Serbs' actions over the past year violate the principle that internationally recognized borders must not be violated or altered by aggression from without. Their actions threaten to widen the conflict and foster instability in other parts of Europe in ways that could be exceedingly damaging. And their savage and cynical ethnic cleansing offends the world's conscience and our standards of behavior.

Therefore, I have this morning directed Secretary Christopher to continue to pursue his consultations with our allies and friends in Europe and Russia on tougher measures

which can be taken collectively, not by the United States alone but collectively, to make clear to the Serbs that we are embarked on a course of peace, and they are embarked on a costly course.

The vote last night simply makes this Christopher mission more important. Secretary Christopher will be insistent that the time has come for the international community to unite and to act quickly and decisively. America has made its position clear and is ready to do its part. But Europe must be willing to act with us. We must go forward together.

Your presence here, your understanding of the importance of exports to America's future, to the blending of our Nation and our culture and our values with those of like-minded persons throughout the world should only reinforce our determination to confine, inasmuch as the international community can possibly confine, savage acts of inhumanity to people solely because of their ethnicity or their religion, and to confine insofar as we possibly can as an international community the ability of one country to invade another and upset its borders, and certainly to try to confine this centuries old series of ethnic and religious enmities to the narrowest possible geographical boundaries.

That is what we seek, not to act alone, not to act rashly, not to do things which would draw the United States into a conflict not of its own making and not of its own ability to resolve but simply concerted action that the international community can and should take to deal with these issues. I'll have more to say about it later, but in view of what happened today, I thought I ought to say this.

For 59 years, since President Franklin Roosevelt created it to help increase foreign aid and trade with the Soviet Union, the Ex-Im Bank has assisted United States companies to sell more than \$270 billion in our exports all around the world. And now the Bank's role in helping our economy and helping our exports has never been more important. You are the people who generate an enormous portion of our high-wage, high-growth jobs. Without expanding our exports, this country cannot grow, cannot grow economically and cannot create more jobs.

In the global economy which we now are shaped by we see a critical part of every economy's functioning is related to its level of productivity, especially in the export sector. We also know that America has some special problems entirely of our own making without regard to what we may or may not think of every aspect of our trade policy. We have relatively low savings and investment. We have an enormous budget deficit which we ran up not in investing in productive investments at home that would produce later wealth but largely in increasing consumption. Indeed, for the last 5 years, the spiraling growth of the Government's deficit has been related almost entirely to paying more for the same health care and to bigger and bigger interest payments on accumulated debt. This is a terrible burden on the economic performance of this country as well as on our future.

Finally, we have, as I said earlier, in putting more of our Government's money to health care, we've also seen more private sector dollars go to health care, so that now we are spending 35 percent more of our national treasure on health care than any other nation in the world, imposing significant new burdens on American businesses as they seek to compete within the American market and beyond the American market.

We now, therefore, face an interesting set of challenges, particularly for a country used to looking for simple answers and dealing with one issue at a time. That is, indeed, one of the great debates in which I am engaged here. Some people say, "Well, you just ought to do one thing. Just reduce the deficit, no matter what." For the last 12 years we were on a track that, at least at election time, was focused on one thing: Just lower taxes, no matter what. Never mind what happens to the deficit. Never mind what happens to the investment of the country. Never mind what happens to the long-term economic health.

Do we need to reduce the deficit? Yes, we do. Do we also need a targeted program of investment in the education and training of the American work force and in the technologies that will shape this economy into the future? Yes, we do. Do we have anything so far to replace the steep, steep cuts in defense spending which have gone to the very

heart of a lot of our high-wage, high-tech economy, with many spinoffs benefiting the commercial economy to date? No, we don't. But we need a technology policy and a defense conversion policy that attempts to replace that. So we need to bring down the deficit, and we need a targeted program of investments in jobs technology and training.

Thirdly, I would argue that we will never reduce the deficit to zero and never restore fundamental health to this economy until we address the health care crisis in terms of providing security to Americans and controlling the cost. And that is obviously a big part of what we're about up here.

I do not believe we should be forced into the false choice of saying we must do one or the other. In the past, our governments have come to people saying, well, we'll just spend money and solve your problems for you, or we'll just cut taxes and solve your problems for you. Today, we have to have a much more disciplined and coherent approach that says we are going to bring the deficit down, we are going to target investments in technology and training, and we are going to do something about the health care crisis. But we must have an economic policy that is more than investments, that involves doing the right things with technology policy, the right things with defense conversion, the right things with the Ex-Im Bank, the right things to expand our commitment to exports. Indeed, the economy, I think, must continue to be the number one priority of our country, and therefore, the number one priority of this administration.

The work that exporters and the Ex-Im Bank do to expand jobs and growth is fundamentally important, because every time we sell \$1 billion of American products and services overseas, we create about 20,000 jobs. In all, more than 7 million Americans clearly owe their jobs to exports. And because those workers in export-related jobs make about 17 percent more than the average worker, we need more of those jobs.

I have this chart here I wanted to show. It's the only one I brought today. I'm trying to resist my policy-wonk impulses. [*Laughter*] But I do want to—you can't see it over there—it shows that in all industries, export-related jobs have average hourly wages of

\$11.69 as compared with \$10.02 for non-export-related jobs. In manufacturing, the figures are virtually the same, \$11.93 to \$10.83. And in services, the margin is even bigger, \$11.30 to \$9.83. It is clear, therefore, that one of the answers to the wage stagnation which has gripped the American economy for almost 20 years now with most hourly wage workers in the country working longer work weeks for stagnant or lower wages—one of the answers to that is to increase our exports.

In the last 5 years, exports have accounted for almost half of our Nation's economic growth. Goods and services exports made up 10.7 percent of our GDP in 1992, up dramatically from only 7.5 percent in 1985, just 7 years earlier.

Your work is important, because if U.S. technology, whether it is related to the environment, energy, transportation, or telecommunications, is to secure its pre-eminence, it must have a global reach. Only with world markets can we afford the research and development to stay competitive. Export expansion obviously encourages our most advanced industries. I am committed to promoting these exports, and what's where the Ex-Im Bank plays an important role.

In fiscal year 1992, the Ex-Im Bank fostered more than a quarter million American jobs that were an outgrowth of the Bank's support for \$14 billion in exports. That's pretty impressive, but it won't be enough just to hold our own ground. I know we can top that by strengthening the partnership between our Government and the private sector through the Ex-Im Bank.

It's helped to send abroad everything from machine tools to computer software. It's been at the forefront of the new export industry that our Vice President has championed, the environmental industry, one that is so important that I have directed Commerce Secretary Ron Brown to work with the Ex-Im Bank, the EPA, and the Department of Energy to craft a national strategy for environmental exports. These efforts will not only help to clean up the planet, they will put a lot more Americans to work.

We have several environmental services exporters with us here today. One of them, Harza Engineering of Chicago, helped a

rural community in Venezuela to fight off the threat of cholera and other diseases by channeling a fresh water supply. At the same time it created more than a thousand jobs for Americans. That's just one case among many.

We want to increase exponentially these successes in all areas of exports. We can also make ourselves more competitive by streamlining our programs, an action long overdue. Right now, there are more than 150 different export promotion programs in more than 10 Agencies. They are tangled like a ball of yarn. And our goal is to untangle them. We want to end the duplication and overlap to make sure all these programs are customer-driven. We want our guide to be the needs of the exporters and the lenders.

Our vehicle to a coherent export promotion plan will be the Trade Promotion Coordinating Committee, an interagency group created by the Congress largely through the efforts of Senator Don Riegle. The Secretary of Commerce Ron Brown chairs the group, which has been meeting daily. And once he is confirmed, Ken will also have hands-on involvement in that effort.

With the Department of Commerce and the Trade Promotion Coordinating Committee, Ex-Im will help lead the way toward developing an export mentality throughout our Government and throughout our Nation. At the same time, the Bank will become more of an active consumer-friendly bank, one that will give more attention to small and medium-sized businesses. For every applicant, the Bank will aim to bypass unnecessary red-tape.

Right now, it takes the staff about 6 months to process a preliminary commitment application and only one in six such preliminary commitment leads to an actual export sale. But with new procedures the Bank will be able to respond to most requests within 7 days. Now, that's reinventing Government.

The staff will be able to process more cases and support more real deals. In short, the Ex-Im Bank will use better management measures to do more without spending more. In these days of deficit reduction, the Bank will have to live within its means like all other Government agencies. But Ken has assured me that he has a number of ways to make

your tax dollars work harder and more effectively.

What we do domestically and how we do internationally are inseparable. As I said earlier in my remarks, as the Ex-Im Bank builds exports markets abroad, we have to do more to assure that our workers are equipped with the skills that they need. The average worker will now change jobs eight times in a lifetime. We have to do a better job of their education and training.

We need to become better students of economics. The old ways of doing business simply don't translate into reality today. One of the first things I did when I became President was to establish a National Economic Council. It just made good sense to me. We had a National Security Council that met with the President on a regular basis to deal with security issues, but a great deal of our security is in the economic area. And there was no regular discipline mechanism by which all the economic decisions were considered in terms of their impact on one another, and the United States could develop a coherent policy.

Today, we have that mechanism, and it works. It works well, and we're working hard to make it work better.

One of the reasons I was so gratified to get congressional approval of the overall budget plan that I presented in record time—it was the first time in 17 years that Congress had passed a budget resolution within the legal mandate—which reduces the deficit by over \$500 billion through spending cuts and tax increases. And there will not be one without the other, I can tell you that; I'm not about to raise your taxes unless the spending cuts are there first. There will be no budget without both.

This is very important in the export area. I can't tell you how many years—you probably know this as well as I do—how many years the United States would show up at some meeting of the G-7 or another international meeting and all of our trading partners would spend all their time telling us that we ought to get our financial house in order, we ought to bring our deficit down, we ought to do something to clean up our own backyard before we lectured our trading partners about changes in policy.

But now we're in a different position. When I go to the G-7 meeting in July in Tokyo, the United States will be a success story in the making. For starters, we have a responsible budget plan that does reduce the deficit. Our interest rates as a result have fallen in many areas to historic lows, allowing American homeowners and businesses to refinance with ways that, if we can keep these rates down for a year, virtually all economists concede will put \$100 billion-plus back into this economy, simply because of lower interest rates.

In this room today I bet there are scores of people who have refinanced their home mortgages or been able to have lower business loans as a result of these interest rates. This is the ultimate stimulus for the American economy if we can pass the budget that reduces the deficit and keep these rates down. It is very, very important.

When we can point to these accomplishments it makes it much easier for us to work with the Japanese in getting them to stimulate their economy and buy more exports. It makes it much easier for us to argue to our friends in Germany that it's a good thing to keep bringing interest rates down. It makes it easier to try to help work together with a coordinated economic policy to lift the world out of the economic stagnation that we now see in Europe and the Pacific, as well as in North America.

These things are very, very important. But there is more that we have to do. After 7 years of talks, I would very much like to see a successful completion of the Uruguay round of the GATT by December the 15th. World economic prosperity depends on it. It's the foundation of the global trading system. A few days ago, I met with the Finance Ministers and the Central Bankers of the G-7 nations, and I told them that the United States was prepared to make extraordinary efforts to complete the Uruguay round successfully, that we were willing to go the extra mile in doing that, but we needed their help and support. And I hope we will get it.

The GATT agreement would be a blessing for the United States exporters because it will lower foreign tariffs, curb subsidies that tilt the playing field, and strengthen the protection of intellectual property, the piracy of

which costs our companies about \$60 billion a year. In the GATT and in all of our trade talks, we have put our trading partners on notice that I expect access to their markets comparable to the access we want to extend to them. But we welcome foreign products and services and investments here, as long as our products, services, and investments have a chance to be welcomed in other countries as well. It's fair, and it's good business.

These are the principles that will underscore not only our multilateral but our bilateral relationships as well. With the right markets at home and the right rules in international markets, our export opportunities are virtually limitless.

I want to say a special word about our opportunities in our own backyard in Latin America. Latin America is reining in its debt and what is emerging from a more stable economy is a populace clamoring for consumer products and entrepreneurs who are shopping for capital goods. It's a market for our exports that is growing at 3 times the rate of any other market in the world. That is why I strongly support the North American Free Trade Agreement, with the supplemental agreements we are presently negotiating with Canada and Mexico relating to labor and the environment.

NAFTA will help us to unlock a market that will create hundreds of thousands of high-paying jobs. And NAFTA, therefore is a high priority for this administration. The reason it is so controversial is that the American people have seen 12 years in which their wages have gone down and 3 years in which we actually have fewer private sector jobs. And everybody is afraid of change. But the only way a rich country can grow richer is by exporting more and by having more partners in economic progress. And if we can make this agreement with Mexico work, then we can move forward to the other market economies of Latin America, to Chile, to Argentina, to any number of other nations who want to be a part of this kind of partnership. I think it is very, very important.

Just listen to this: Exports to Canada already support 1.5 million American jobs. And in the past 5 years, the number of American

jobs tied to Mexico have grown from 300,000 to 700,000 jobs, almost exclusively because of the unilateral reduction of trade restrictions by Mexico, which have allowed the volume of trade two-ways to go up and the trade deficit to be erased. These are very encouraging signs. We project another 200,000 good jobs if we can have a successful implementation of the NAFTA process.

Mexico is a valued customer for another reason. We also believe that this new economic thinking, if it works, will help to spread all across the developing world. We know that there are an impressive array of political and economic leaders in Mexico, and I know that the Secretary of Finance Pedro Aspe is with us today. I want to welcome him and extend my best wishes to President Salinas for our emerging partnership.

Outside this hemisphere, I think we have to look increasingly to the newly industrializing countries of Asia. I know we have someone here from Indonesia. Indonesia is the fifth biggest country in the world. Indonesia is now the leader of the nonaligned nations. They have a resolution on Bosnia actually being debated in the United Nations today. Maybe they can figure out how to do a better job with this.

We have enormous opportunities there. When I go to the G-7 meeting in Japan, I'm going to meet with the President of Indonesia to send a signal to the nonaligned nations, to the emerging nations of the world, that the United States wants to be their partner in new trade relations, that there are all kinds of things that we can continue to do that we have not done before.

Finally, let me say just a little word about Russia. The Bank is now setting out to do what it was originally set up to do because Russia may be able to absorb its efforts. To date, the Bank has approved \$205 million in final commitments to Russia. It's working on an oil and gas agreement framework that could support as much as \$2 billion in American goods and services for Russia's energy sector. As I told President Yeltsin when we met in Vancouver, the United States once

had a famous citizen named Willie Sutton who was asked why he was devoting his entire life to robbing banks, and he said, "Because that's where the money is." [Laughter] In Russia, energy is where the money is. If we can work it out, we can make a huge partnership there in ways that are enormously beneficial for the American economy and good for the Russians as well.

At different junctures in this century, our country has shown itself to be a catalyst for global reform. We have faced off facism and communism. We helped to build the international institutions after World War II that made so many good things happen in the noncommunist world and now, because of the collapse of communism, are coming into their own with the real potential to fully flower.

The world of tomorrow will reward those of us who not only have the values which made these institutions possible but which behave in ways that will be rewarded in the hard glare of international economic competition.

I just saw today another set of figures showing that in the first quarter of this year, there was another huge increase in productivity in the American manufacturing sector. We want those manufacturers who are increasing their productivity. We want their workers who are the source of that increased productivity to be rewarded. I am convinced that the only way we can do it is by opening markets to the United States and giving the American people the chance to enjoy the benefits, the fruits of their labor and giving other countries the chance to grow through mutual trade and development.

You are on the frontlines of that. I came here to salute you and to assure you that through the Ex-Im Bank and every other means at this administration's command we will do our best to have the kind of trade policy that will grow the American economy and benefit the entire world.

Thank you very much.

NOTE: The President spoke at 11:02 a.m. at the J.W. Marriott. In his remarks, he referred to Radovan Karadzic, leader of the Bosnian Serbs.

Exchange with Reporters During a Meeting With Stan Musial

May 6, 1993

Bosnia

Q. Mr. President, the Serbs are now saying that they're going to cut off all but humanitarian supplies to the Bosnians. Do you have any reaction to that?

The President. Well, that would be a good start. We'll see. We're working today on a lot of options. I want to see what happens over the next few days.

Q. Have you gotten back to the Europeans, sir?

The President. Oh, of course.

Q. Today I mean, with either Mitterrand or Major?

The President. I talked with President Mitterrand today.

Q. Mr. President, is military action inevitable at this point? Do you have to do something like that?

The President. I don't want to say anything else. You know what we're doing, and the Christopher mission is proceeding. And I don't have anything to add to what I said earlier except any welcome signs would be welcome. Let's see if anybody changes their conduct.

Q. It doesn't sound like you're getting a lot of welcoming from the Europeans on the Christopher mission.

The President. Oh, I have talked to Mitterrand today. We'll see what happens.

NOTE: The exchange began at 4 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.